

DISCLOSURE DOCUMENT REQUIREMENTS

DD must be presented in English

TICK

1.	Franchisor info required in the DD	
1.1	Entity registered name	<input type="checkbox"/>
1.2	Entity registration number	<input type="checkbox"/>
1.3	Registered address	<input type="checkbox"/>
1.4	Business address	<input type="checkbox"/>
1.5	E-mail address	<input type="checkbox"/>
1.6	Fax number	<input type="checkbox"/>
1.7	Telephone number	<input type="checkbox"/>
1.8	Website address	<input type="checkbox"/>
1.9	Statement: FASA member or not	<input type="checkbox"/>
1.10	State whether the company is listed on the stock exchange	<input type="checkbox"/>
1.11	Resume of each executive management member including	
	1.11.1 Name, ID, e-mail address, cell number	<input type="checkbox"/>
	1.11.2 Town of residence	<input type="checkbox"/>
	1.11.3 Job Title	<input type="checkbox"/>
	1.11.4 Qualifications	<input type="checkbox"/>
	1.11.5 Business experience	<input type="checkbox"/>
	1.11.6 If such management member was involved with a different franchised operation in the past 5 years – details are required	<input type="checkbox"/>
1.12	If the F'sor has any other interests eg. other franchised brands or interest in the supply of product to F'ees the extent and detail need to be disclosed.	<input type="checkbox"/>
1.13	Details of any material debt, criminal, civil actions against the F'sor or any of its directors during the past 5 years	<input type="checkbox"/>
1.14	Executive summary of the business, include length of experience in franchising the franchise business	<input type="checkbox"/>
1.15	Copies of certificates of registration of F'sor trademarks, alternatively the applications for the registrations. If not registered in the name of trading entity, include copy of agreement entitling use thereof	<input type="checkbox"/>
1.16	Names and contact details of individuals involved with franchised businesses closed or sold during the last 36 months.	<input type="checkbox"/>
2.1	Where the F'sor and the master sub-F'sor are to be parties to an agreement with a F'ee, the DD must contain info relating to both the F'sor and the master sub-F'sor	<input type="checkbox"/>
2.2	Where the agreement is only between a master sub-F'sor and a F'ee, the DD must only contain info relating to the master sub-F'sor and of the franchise system	<input type="checkbox"/>
3.	Franchise Agreement	
3.1	Particulars of any restrictions to be imposed on the prospective F'ee, eg territorial or restrictions on sale of franchised business.	<input type="checkbox"/>
3.2	Site selection, nature and extent of F'sor involvement	<input type="checkbox"/>
3.3	A summary of the terms and conditions relating to termination, renewal, goodwill and assignment of the franchise	<input type="checkbox"/>
3.4	Listing of the main obligations of F'sor	<input type="checkbox"/>
3.5	If the area of general location to be franchised has been subject to trading by a previous F'ee, the fact must be disclosed.	<input type="checkbox"/>
3.6	The Franchise agreement and its implementation are subject to all applicable laws in RSA (statement to this effect)	<input type="checkbox"/>
3.7	Should the franchise agreement contain any provision obligating the F'ee to enter into any other agreements, the DD must contain a statement that the prospective F'ee can request copies of the agreements eg supply or service agreements	<input type="checkbox"/>
4.	Financial Info	

4.1	The initial franchise fee payable to the F'sor on the signing of the franchise agreement and how it will be applied	<input type="checkbox"/>
4.2	The initial working capital and statement of what the purpose is	<input type="checkbox"/>
4.3	The total investment required: including the upfront fee, establishment costs, initial working capital and any other set-up related costs.	<input type="checkbox"/>
4.4	The extent of funding which would generally be available and the conditions attached to such loans	<input type="checkbox"/>
4.5	Total cash amount that the F'ee must contribute towards the necessary funding of the franchise	<input type="checkbox"/>
4.6	Ongoing amounts payable to F'sor	
4.6.1	Whether the amounts are fixed or variable and how they are calculated.	<input type="checkbox"/>
4.6.2	Whether all or parts of the amounts are built into the cost of goods or services to be purchased from nominated suppliers.	<input type="checkbox"/>
4.6.3	Dates at which the amounts fall due	<input type="checkbox"/>
4.6.4	If management service fee is applicable, details of such services that can be expected.	<input type="checkbox"/>
4.6.5	If any contribution is made to a fund for advertising or marketing, state the nature of advertising to be expected, details on how such advertising will be paid for and whether F'see will participate in decision making relating to the fund.	<input type="checkbox"/>
4.7	The DD must include the key financial info with regards to the F'sors' turnover, net profit and the number of individual outlets franchised for last 12 months	<input type="checkbox"/>
4.8	This statement below must be included in the DD and must be dated and signed by an authorized officer of the F'sor Member.	<input type="checkbox"/>
	<i>"We certify that there have been no significant or material changes in the company's position since the date of the accounting officer or auditor's certificate and the company's F'sor has reasonable grounds to believe that it will be able to pay its debts and when they fall due."</i>	
4.9	The DD must include a calculation which may indicate the price when selling the business in future. The factors/assumptions, on which the calculations are based, must be set out.	<input type="checkbox"/>
4.10	The DD must indicate the required deposit to be paid by a prospective F'ee and that such deposit will be paid into a separate bank account and dealt with as provided for in the Code of Ethics.	<input type="checkbox"/>
5.	Projections	
5.1	The F'sor Member must provide written projections in respect of levels of potential sales, income, gross or net profits or other financial projections for the franchise business and must state assumptions on which they are based	<input type="checkbox"/>
5.2	The projections are in no way any guarantee from the F'sor to the F'see or any third party, that the figures presented will be achieved (statement to this effect on each page of projections), assumptions must be qualified on each page	<input type="checkbox"/>
5.3	Projections must clearly indicate if they are profit or cash flow projections. F'ee salary, capital and interest loan repayments must be indicated separately.	
6.	Accompanying documentation	
6.1	A certificate on an official letterhead from a person eligible in SA law to be registered as the accounting officer of a CC or the auditor of a Company, and certify that:	
6.1.1	The business of the F'sor Member is a going concern	<input type="checkbox"/>
6.1.2	The assets of the F'sor Member's business exceed its liabilities	<input type="checkbox"/>
6.1.3	The F'sor Member is able to meet its current and contingent liabilities	<input type="checkbox"/>
6.1.4	The F'sor Member is capable of meeting all of its financial commitments in the ordinary course of business as they fall due	<input type="checkbox"/>
6.1.5	The F'sor Member's audited annual financial statements for the most recently expired financial year have been drawn up	
6.1.5.1	In accordance with sound accounting principles	<input type="checkbox"/>
6.1.5.2	On the basis of accounting policies consistent with prior years	<input type="checkbox"/>
6.1.5.3	In accordance with the provisions of the Companies Act(No 61 of 1973) as amended, and all other applicable laws	<input type="checkbox"/>
6.1.5.4	Reflect the financial position, affairs, operations and results if the F'sor Member at	<input type="checkbox"/>

that date and for the period to which they relate		
6.2	List of current F'ees, which must be updated annually by the 30th September of each year, stating the name under which each F'ee carries on the business, the name of the representative, business address, business telephone no, and a statement that prospective franchisees are entitled to contact or visit any existing franchisees to assess franchise opportunity	<input type="checkbox"/>
6.3	An organogram depicting the support system set-up by the F'sor in support of its F'sees.	<input type="checkbox"/>
6.4	Statement of the F'sors BEE contributor level and when such rating was achieved. In the event of a F'sor not being rated, the F'sor has to indicate when he intends getting rated.	<input type="checkbox"/>
6.5	The DD must incorporate FASA's Code of Ethics and a statement that the F'sor subscribes to such code. The DD shall also contain a statement advising the potential F'ee of FASA's publication "How to Evaluate a Franchise" and that it may assist the potential F'ee in evaluating the franchised business.	<input type="checkbox"/>